



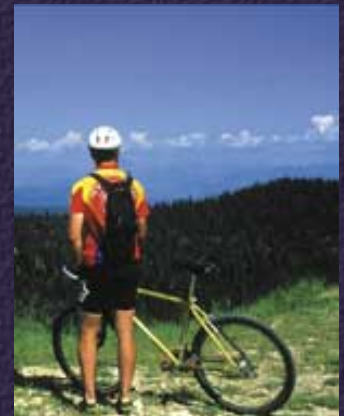
Follow The Money

Montana, 2008



Montana Strategies

- 6% growth in lodging revenues per year
- New conventions/meetings & sports
- New market niches (geotourism, birding, wildlife, etc.)
- Solid planning – choices in growth





Why Follow the Money?

Now, careful planning and accountability, are necessary to earning support

.....and it better be specific & believable!!



How Much \$\$

- How many \$\$\$ is tourism worth in your community?
- How much does each type of visitor spend in your community?
- How many jobs are generated by tourism?
- What is the "tax relief" enjoyed by the households in your community?
- What ROI does your community generate?

Methods of Measuring

- Know your stats
- Know who your customer is, where they come from, why they come, how long they stay, etc.
- Determine shifts in your market mix
- Know the expenditures by type of visitor (market segment)
- Monitor your growth/non-growth accurately
- Know the number of jobs from tourism
- Benchmarking against others
- Prove your case
- Demonstrate that you're measuring ROI in a believable fashion

Know the following:

1. The overall trends
2. How your area compares
3. What your "stats" are (lodging inventory, occupancy, ADR, RevPAR, bed tax totals, attraction attendance, etc.)
4. Determine "where the pain is"

Next

Bed Tax Revenues





Bed Tax Revenues

Transylvania County Lodging Tax Revenues

Year	3%- 4% Transient Occupancy Tax Actual Revenue	4.25% North Carolina Sales Tax	2.75% Transylvania Sales Tax
2002/03	\$204,017	\$289,024	\$187,015
2003/04	\$200,418	\$283,926	\$183,717
2004/05	\$209,852	\$297,290	\$192,364
2005/06*	\$278,071	\$295,450	\$191,174
2006/07	\$320,834	\$340,886	\$220,573

*NOTE: Tax rate increased from 3% to 4% effective July 1, 2005.

Source: TCTDA

Lodging





Lodging Inventory

Year	Lodging Properties	Room Inventory
2007	8	423
2006	7	361
2005	6	300
2004	6	300
2003	6	300

Source: CVB and Smith Travel Research (STR)



Lodging Inventory Mix

Lodging Property Type	Total	% of Lodging Inventory
Rental Properties	58	69.9%
Bed and Breakfast	13	15.6%
Hotel/Motel	6	7.2%
Resorts	3	3.6%
Campgrounds	3	3.6%

(Source: RTM Lodging Survey and TTDA)



Age of Lodging Properties

<u>Decade</u>	<u>Rooms</u>	<u>% OF TOTAL</u>
Unknown Age	36	8.25%
1970s	30	6.75%
1980s	104	23.00%
1990s	146	32.75%
2000s	130	29.25%
Ten (10) Properties	446	100%

Source: CVB and Smith Travel Research (STR)



Annual Customer Segment Mix

%	Category
40%	Individual Business Travelers
5%	Convention/Meeting/Trade Groups
4%	Sports Groups
9%	SMERF (Social, Military, Educational, Religious, Fraternal)
1%	Leisure - Golf
3%	Group Tour/Motorcoach
20%	Leisure – Tourist visiting local attractions, state parks, historic sites, events
11%	Leisure – Hunting and Fishing
7%	Leisure - Visiting friends and relatives (including family reunions)
100.0%	TOTAL

Source: CVB survey of lodging properties



Cayuga County Lodging Mix

RV Park Wells College	B&B's Only	Hotels/ Motels Only	Combined Hotel/Motel B&B's	Category
-	10.00%	90.00%	100.00%	% of Lodging Inventory
100%	44.78%	48.38%	47.99%	Response Rate
	3.17%	43.29%	39.01%	Corporate Individual Corporate/Business
40.00%	0.00%	2.45%	2.46%	Large Conventions/Meetings (50+room nights booked)
40.00%	2.83%	2.74%	2.75%	Small Conventions/Meetings (less than 50 room nights booked)
	.67%	3.39%	3.12%	Group Tour Motorcoach
	.93%	3.80%	3.51%	Team Sports and Tournaments
100.00%	59.73%	21.79%	25.60%	Tourists (visiting attractions, historic sites, wineries, shopping)
20.00%	9.23%	7.87%	8.01%	Leisure-Weddings/Reunions/Family & Social Events
	8.53%	4.93%	5.29%	Visiting Local Friends and Relatives
	6.63%	1.29%	1.82%	University/College Related
	4.77%	5.99%	5.87%	Transient: Overnight as part of a longer trip
	0.00%	1.72%	2.15%	Other: Specify

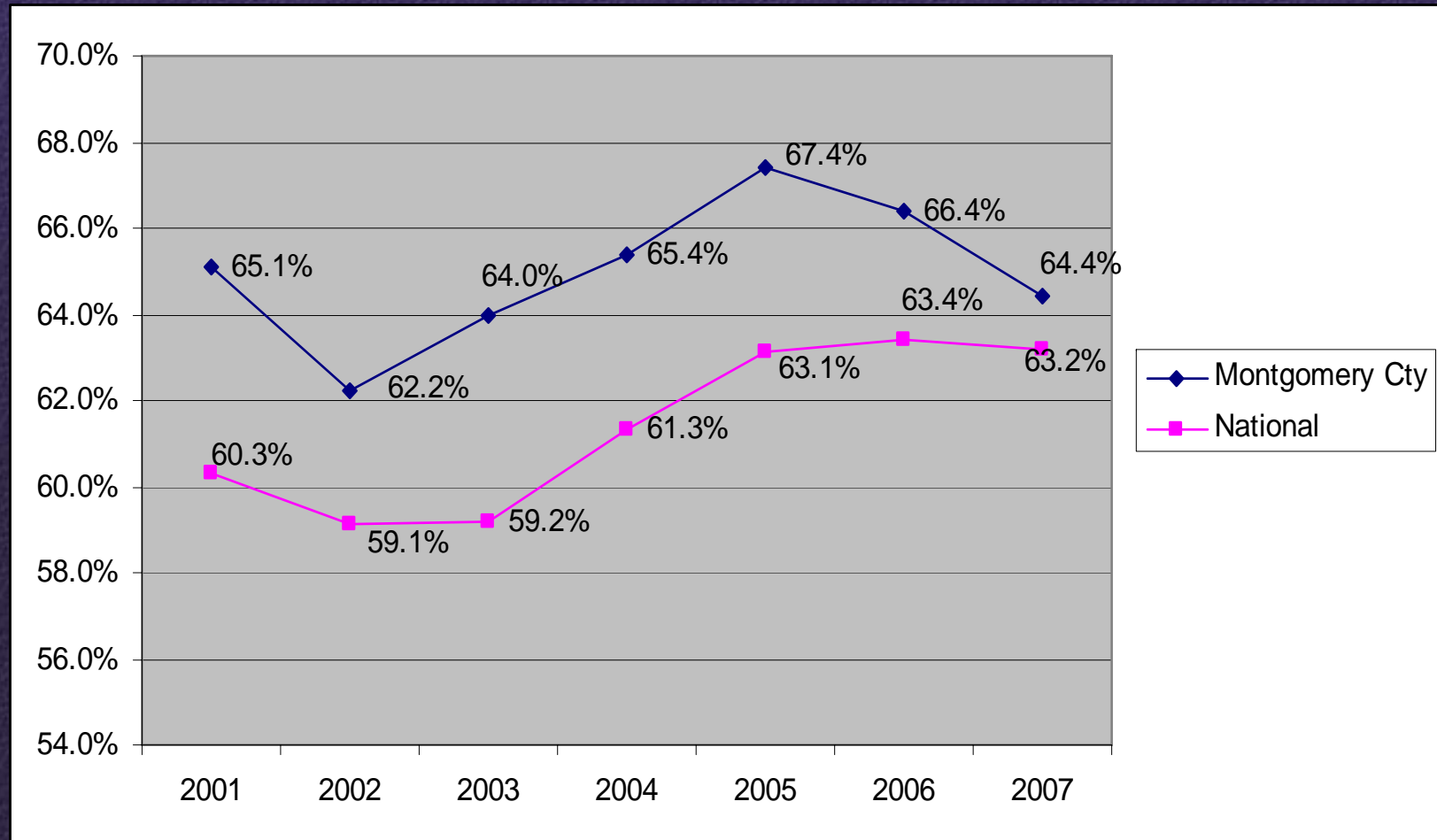


Track Lodging Annually

2006 %	2007 %	Business Mix Category
23.4%	22.7%	Corporate/Business (include university/college related business
16.0%	9.3%	Convention/meeting/group – Corporate
20.6%	16.0%	Convention/meeting/group – Government
8.9%	9.8%	Convention/meeting/group – Sports
7.0%	6.0%	Convention/meeting/group – SMERF
5.5%	5.6%	Convention/meeting/group - Association
2.2%	2.8%	Golf package or golf group
1.7%	3.6%	Group Tour
4.6%	7.6%	Leisure - tourist visiting local attractions, historic areas, shopping etc.
5.4%	9.3%	Leisure - Visiting friends and relatives
2.2%	4.6%	Leisure – Other university/college activities/events
2.3%	2.9%	Other

Source: CVB survey of lodging properties

Occupancy Trends



Source: Smith Travel Research (STR)

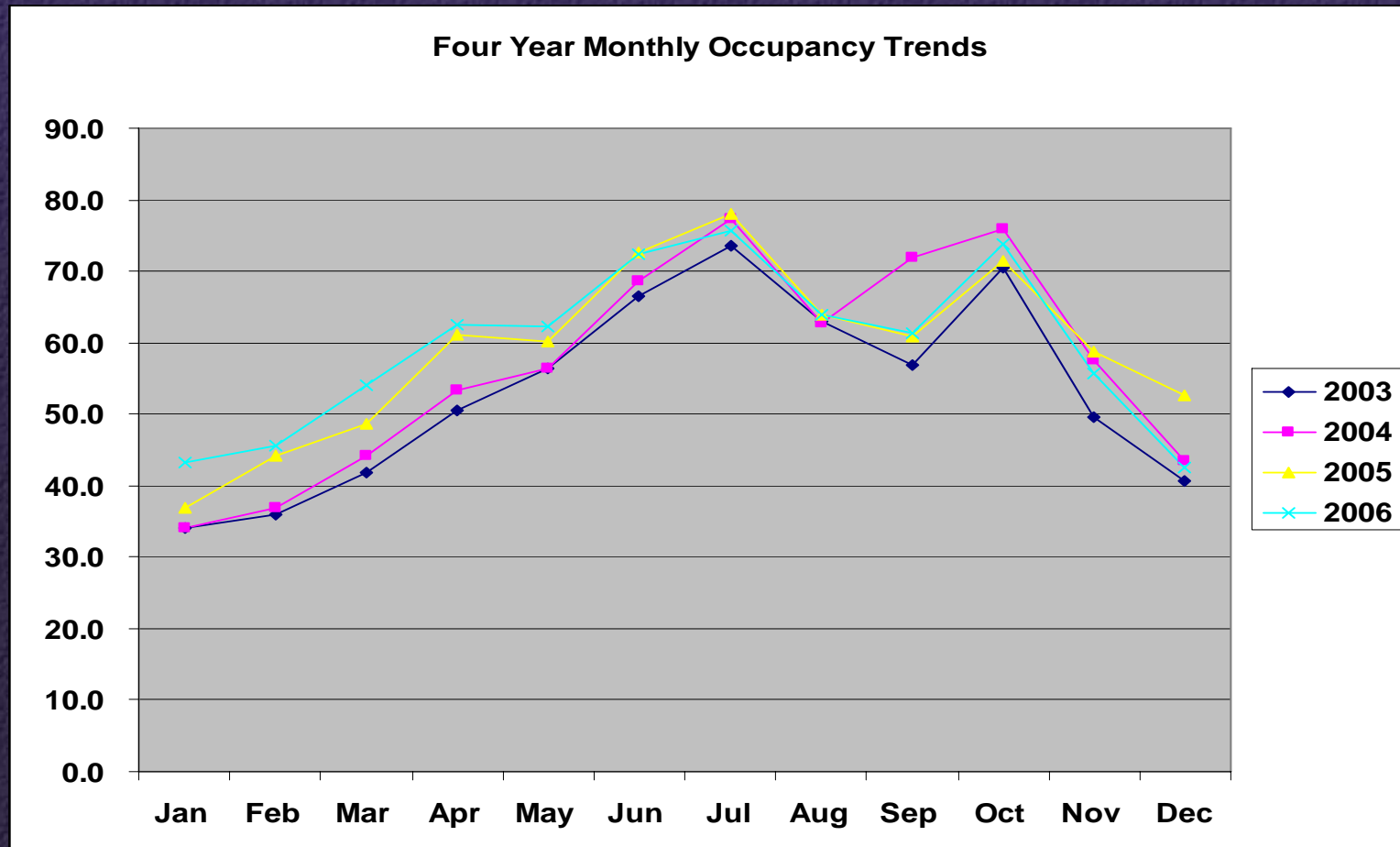


Weekend vs. Weekday

All Lodging	Weekend	Weekday
Average Occupancy	61.3%	78.6%
Average Rates	\$111.00	\$152.00

Source: CVB survey of lodging properties

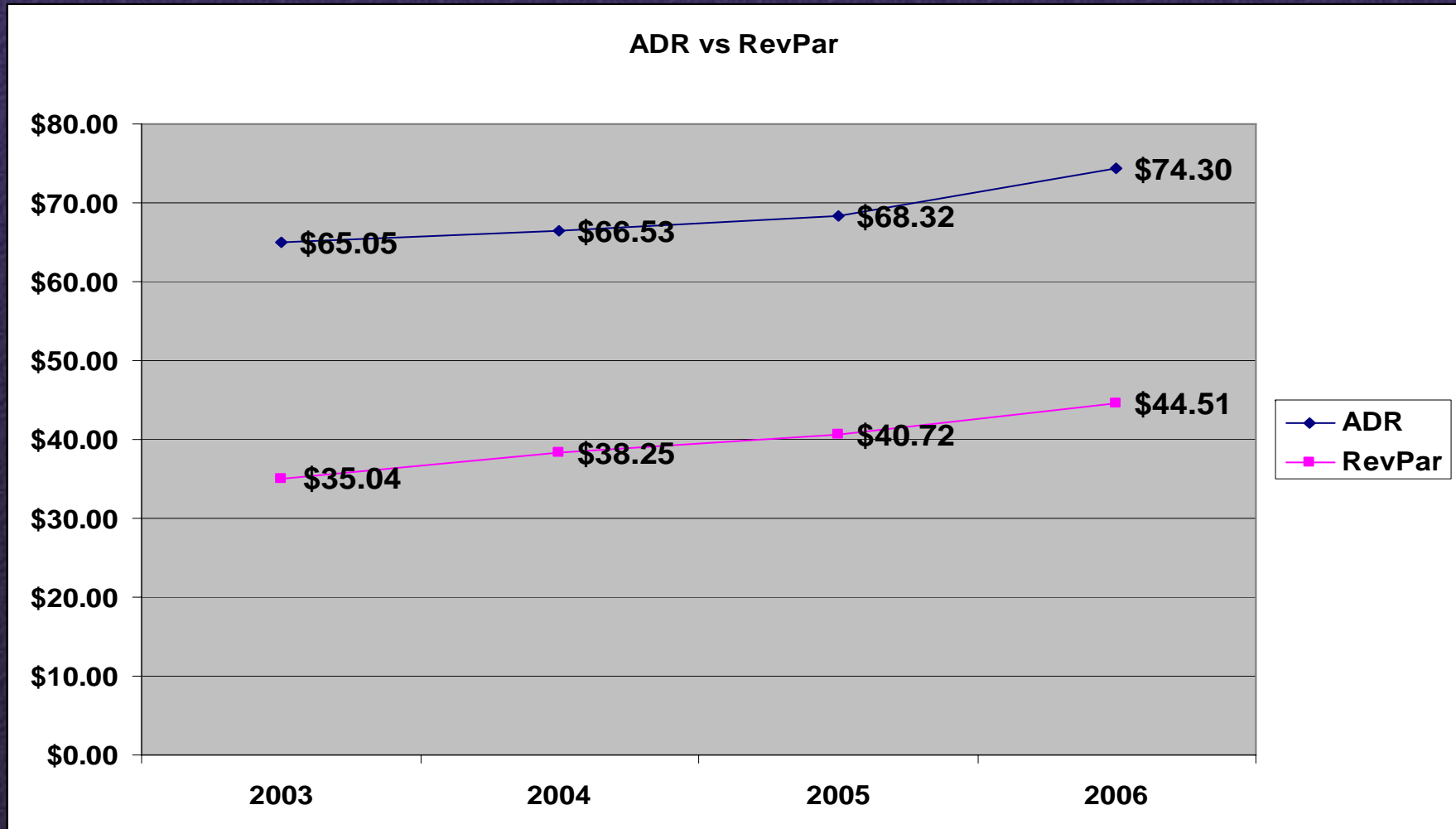
Monthly Occupancy



Source: Smith Travel Research (STR)



Transylvania/Henderson Counties ADR vs RevPar



(Source: Smith Travel Research (STR) Report)



Measure Visitor Spending

Category	Amount	% of whole	7% State Tax	6% Lodging Tax	2.75% County Sales Tax
1. Lodging	\$111.80	35.75%	\$7.83	\$6.71	\$3.07
			\$3.47		\$1.36
2. Food / meals	\$49.58	15.85%			
			\$1.04		\$.41
3. Attractions / amusements	\$14.86	4.75%			
			\$3.96		\$1.55
4. Shopping	\$56.62	18.10%			
			<u>\$5.59</u>		<u>\$2.20</u>
5. Transportation	<u>\$79.91</u>	<u>25.55%</u>			
Average Daily Expense	\$312.76	100.00%	\$21.89	\$6.71	\$8.59



Average Daily Spending

Category	Business	Leisure	Meeting	Overall	Mail Survey
Lodging	\$180.59	\$190.01	\$185.94	\$187.17	\$142.20
Shopping	\$113.64	\$128.56	\$239.60	\$148.99	\$123.46
Food/meals	\$97.86	\$105.16	\$86.71	\$100.26	\$113.40
Transport.	\$103.30	\$90.56	\$78.52	\$90.19	\$82.81
Attractions	\$68.27	\$53.12	\$27.60	\$49.61	\$48.95
Totals	\$563.66	\$567.41	\$618.37	\$576.22	\$510.82
Avg. # of Nights	3.76	3.79	5.24	3.94	3.68
Total Trip Expenditures	\$2,119.37	\$2,150.49	\$3,240.25	\$2,270.31	\$1,879.82



Guess-timate Spending

- 500 rooms x 365 days = 182,500 available
- x 60% occupancy = 109,500 rented nights
- \$70/average daily rate
- 109,500 x \$70 = **\$7,665,000** annual lodging revenues

More Guess-timate

\$ 70	Lodging
\$ 50	Gas/transportation
\$ 50	Food/meals
\$ 10	Amusements
<u>\$ 20</u>	<u>Retail</u>
\$200	



$$\text{\$200} \times 109,500 = \text{\$21,900,000}$$



Economic Impact Example

2,000 rooms x 365 = 730,000 available rooms nights

X 65% occupancy = 474,500 sold room nights

X \$430 per day = \$204,035,000 ANNUALLY

X 4% State sales tax = \$8,161,400

X 4% Local sales tax = \$8,161,400

Ulster County = 68,401 households = \$238.63 per
household in TAX RELIEF

Who is Your Visitor?

- Where do they live?
- Generational distinctions
- What do they want?
- How do they choose destinations?
- What information sources do they use?
- What messages do you need to say?
- Who is already visiting your destination?



Focus on your visitors

Understand that research
is *critical!*

- Local politics & hidden agendas
- Research takes local opinion out of it
- Be in close contact with visitors
- Know who you are targeting

How to in 2008

Research

- Who & why (age, origin, trip purpose, etc.)
Look for changes since 2001
- Who is NOT coming & why
- Selection criteria
- Sources of information
- Expenditures
- Activities/Behavior (& how they make those decisions)



What To Do Now

Track inquiries *very* carefully



Inquiry Statistics

	2005	2006	2007
Traditional Inquiries (phone, e-mail, website, bingo cards, etc.)	33,611	20,449	24,905
Website – Unique Visitors	107,983	236,615	290,089
Total Inquires	141,594	257,064	314,994
Advertising Expenditure	\$85,902	\$88,895	\$104,810
Traditional Cost-Per-Inquiry (no web)	\$2.56	\$4.35	\$4.21
Cost Per Inquiry/Website User Session	\$0.61	\$0.35	\$0.33

But Do They Come?

Track conversion

First time visitors = 33%

Previous visitors = 66%



Characteristics

How far in advance did you plan your trip?

1 week before travel	36.54%
2 weeks before travel	7.69%
1 month before travel	9.62%
2 months before travel	9.62%
3 months before travel	17.31%
4 months before travel	5.77%
5 months before travel	1.92%
6 months or more before travel	11.54%

53.85% within one month!!!

Visitor Profile

Generations:	
War Generation (80+)	3.7%
Silent Gen. (62-79)	30.5%
Baby Boomer (44-61)	35.4%
GenX (23-43)	29.3%
GenY (4-22)	1.2%



Attractions

<u>Attraction</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Corning Museum of Glass	326,000	311,000	250,000	270,000	294,000	293,000
Dr. Frank's Vinifera Wine Cellars	57,590	53,724	54,925	51,268	44,242	42,611
Bully Hill Winery	56,000	Didn't start collecting data until 4/05				
Heron Hill Winery	34,054	34,688	50,950	53,737	50,989	
Rockwell Museum of Western Art	28,110	28,707	22,568	23,459	23,699*	17,952
Keuka Maid	20,471	22,321	22,328	23,554	22,827	23,944
Glenn Curtiss Museum	16,953	19661	16,029	13,841	15922	14,610
NYS Fish Hatchery	10,000	10,000	10,000	10,000	10,000	10,000
171 Cedar Arts Center	4606	no other attendance data available prior to 2005				
Elm Cottage Museum	Does not keep records, but estimates about 200 per year					
Hands-on Glass Studio	Does not have records					
Bath VA Historical Museum	Closed for renovations in 2005, average attendance for 2000-2004 = 200, May-October seasons					



How to in 2008

Determine which market segments you can grow

- small meetings/SMERF
- sports
- leisure
- reunions/wedding
- niche (nature, heritage, etc.)



Thriving in 2008

- Research as a foundation
- Can't be an order taker!
- Prove your economic worth to your community
- Focus your efforts on the segments that you can grow that are the most profitable!

How to in 2008

Get your gear together:

- Data Mining
- Technology
- PR & Advertising
- Sales (beyond "order takers")
 - focus on the markets that produce
- Empower all employees to be sales ambassadors
- Drop membership > "Pay-as-you-play"





Track Expenditures

American Average daily expenses: (Grand Forks)

<u>Category</u>	<u>Amount</u>	<u>% of whole</u>
1. Lodging	\$ 69.13	28.30%
2. Shopping	\$ 65.90	26.98%
3. Food/meals	\$ 46.19	18.91%
4. Attractions	\$ 33.29	13.63%
5. Trans./Fuel	\$ 29.74	12.18%
Avg. Daily Expense	\$244.25	100.00%



Track Expenditures

**Canadian Average daily expenses:
(shopping = #1)**

<u>Category</u>	<u>Amount</u>	<u>% of whole</u>
1. Shopping	\$110.38	38.70%
2. Lodging	\$ 70.74	24.80%
3. Food/Meals	\$ 55.47	19.45%
4. Attractions	\$ 28.26	9.91%
5. Trans./Fuel	\$ 20.35	7.13%
Avg. Daily Expense	\$285.20	100.00%

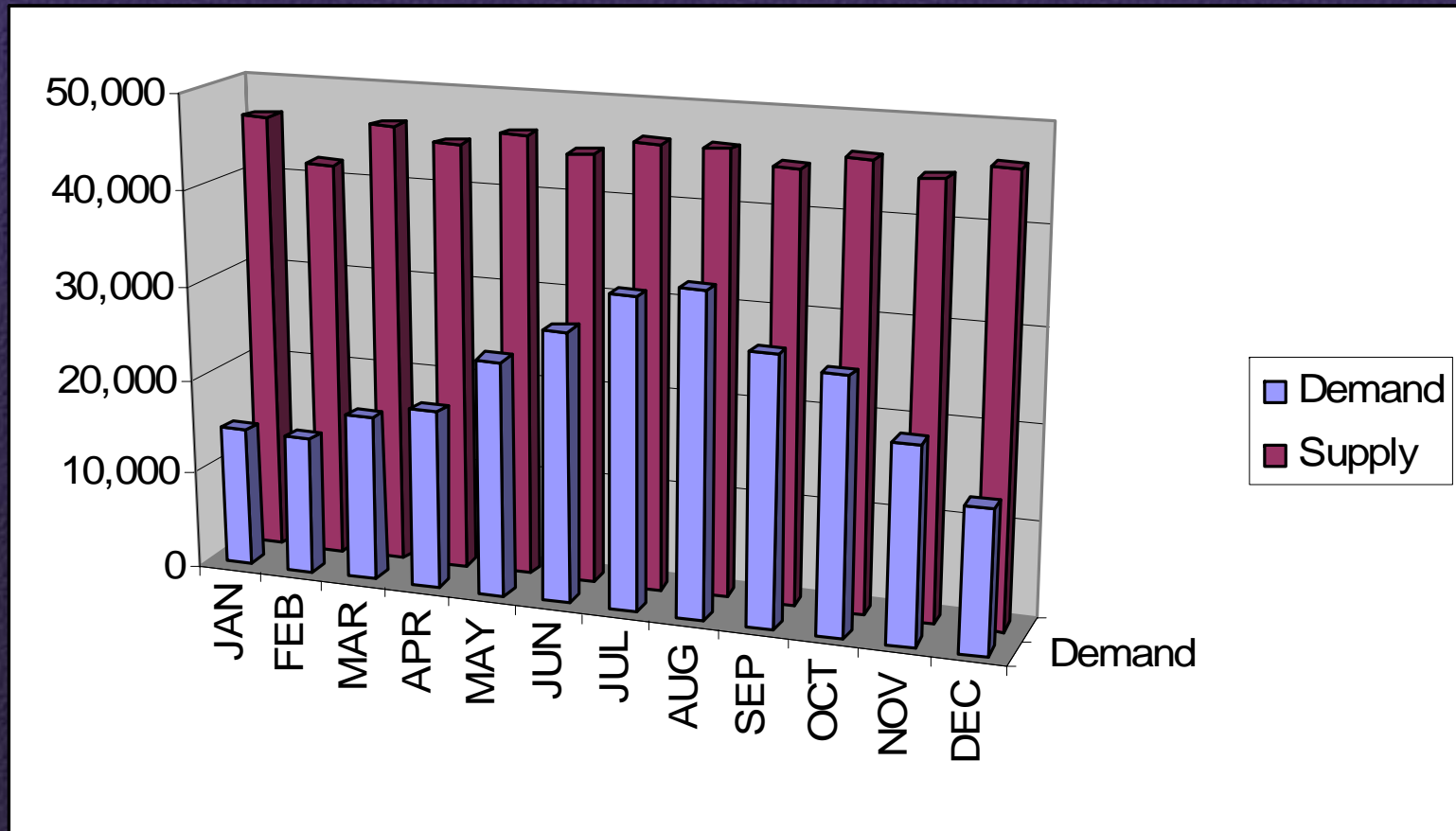


Bryan-College Station

Girls Basketball = \$\$\$

Boys Basketball = &^*%

WHEN do you need more visitors?





Convention & Meetings

- Customer perceptions of your strengths & weaknesses....do interviews
- What types of meetings are you successful in recruiting? (type, geography, price, demographics)
- Which meetings had the highest satisfaction?
- Which meetings spent the most?
- Where are other similar groups?



Alabama Comparables

<u>City</u>	<u>Tax Rate</u>	<u>CVB Budget</u>
Birmingham (Jefferson)	14.0%	\$4,700,000
Mobile	12.0%	\$3,500,000
Huntsville (Madison)	12.0% + \$1	\$1,300,000
Montgomery	12.5%	\$1,666,899
Tuscaloosa	11.0%	\$ 685,000
Dothan	10.0%	\$ 515,000
Decatur	11.0%	\$ 370,000
Auburn-Opelika	10.0%	\$ 445,000
Anniston	11.0%	\$ 104,000
Gadsden	12.0%	\$ 94,000
Gulf Shores	11.0%	n/a



Marketing \$ per room

Birmingham **\$313**

Mobile **\$411**

Montgomery **\$266**

Huntsville **\$217** + tax +
\$1/room**



Current Status & Marketing History

Average Annual Growth:

Montgomery = #5 travel market in Alabama

	<u>Jobs</u>	<u>Earnings</u>	<u>Growth</u>
Baldwin	33,621	\$613,195,652	15%
Jefferson	24,281	\$442,851,673	4%
Mobile	12,265	\$223,689,371	9%
Madison	10,421	\$190,065,005	5%
Montgomery	8,566	\$156,227,617	4%
Tuscaloosa	5,301	\$96,684,624	-6%



Performance Audit

Comparable Tourism Marketing Funding

CITY	Lodging Inventory	Number of Employees	2004/05 CVB Total Budget
Oklahoma City	12,500	17	\$2,700,000
Tulsa	11,800	15	\$2,400,000
Stillwater	759	3	\$ 385,300
Norman	1129	6	\$ 326,000
Bartlesville	675	3	\$ 320,623
Shawnee	536	2	\$ 185,672
Ponca City	592	1	\$ 163,000
Tahlequah	336	1	\$ 70,000
Guymon	381	0	\$ 0.0
Lawton	1300	1	**\$ 780,000

** This figure includes the economic development, tourism and government in one agency.

Satisfaction

**You must also monitor trip
Satisfaction closely.....**

**which market segments
really like your
destination?**



Mail Survey Findings

4.32 Satisfaction

The overall appeal of the attractions in the area 4.17

The selection of shopping 4.12

The range of choices for dining 4.08

The lodging value you received for the price paid 4.00

Ease of finding visitor information 3.96

The quality of the lodging rooms 3.91

Signage and wayfinding 3.70



Visitor Mail/Intercept Survey

Satisfaction Ratings	Mail Avg Rating	Intercept Avg Rating
Amenities	2006	2006
Overall Visit Rating	4.53	4.17
Overall appeal wineries in the area*	4.40	4.47
The overall appeal attractions in the area	4.22	3.98
Ease of finding visitor information	3.99	4.12
The quality of the lodging rooms	3.96	4.30
Signage and wayfinding	3.93	3.89
Level of service/employee training	3.92	4.28
The lodging value received for the price paid	3.82	4.28
Overall appeal of shopping in the area**	3.77	3.97
The range of choices for dining	3.69	3.67



2001 Finger Lakes

4.38 = average satisfaction rating (A-)

Type of Trip:

4.33 = Day trip

4.35 = Weekend getaway

4.22 = Weekday getaway

4.59 = Vacation

By Gender:

4.36 = Men

4.40 = Women

By Purpose of Trip:

4.53 = General relaxation

4.27 = College/university related

4.56 = Visit friends/relatives

4.25 = Overnight as part of a longer trip

4.25 = Romantic getaway

5.00 = Reunion

4.00 = Visit wineries

5.00 = Festival/event

Pick a Target

- Know your most likely customer
- Know you most profitable customer
- Spend resources wisely - avoid "shot gun"
- Targeted, aggressive sales (if you're using the same sales methods you did five years ago, you're in trouble)

Critical Review

Determine very strategically which market segments you can target that will really be satisfied and will spend the most.



How to reach your Target

- State travel guide & website
- Regional travel guide & website
- Local visitor guide & website
- Newspaper inserts (ads/brochure listings)
- PR
- E-marketing, Social Media
- Advertising placement
 - Reader's Digest, AAA, etc.

Track Your Success

1. **Inquiries**
2. **Conversion**
3. **Expenditures**
4. **Satisfaction ratings**
5. **Website unique visitor sessions**





Visitor Centers

- Place the visitor center where the visitors arrive – front door
- Visitor Center is a selling show room – dramatic and compelling
- Visitor Center – interactive – no counters or barriers
- Visitor Center is a revenue generator



CVB Marketing

- Research, research, research
- Reevaluate expenditures every year
- Monitor web vs. traditional outreach
- Tailor marketing messages & placement to visitor research
- Targeted PR – story placement

Local Communication

- **Monthly reports**
- **Annual ROI presentations to elected officials**
- **Local PR**





Loudoun Economic Impact – Day Trips

<u>Category</u>	<u>Average Daily Expenditures</u>	<u>% of Total Expenditures</u>	<u>Response Rate %</u>
1. Wineries	\$144.09	35.6%	16.4%
2. Shopping	\$132.39	32.8%	56.7%
3. Food / meals	\$67.55	16.7%	73.1%
4. Attractions / Amusement	\$40.94	10.1%	25.4%
5. Transportation/Fuel	\$19.24	4.8%	37.3%
6. Lodging	<u>\$0.00</u>	<u>0.0%</u>	0.0%
Totals	\$404.21	100.00%	



Bartlesville, OK

Average daily expenditures:

<u>Category</u>	<u>2003</u>		<u>2001</u>	
	<u>Amount</u>	<u>% of whole</u>	<u>Amount</u>	<u>% of whole</u>
1. Lodging	\$113.80	30.28%	\$81.21	34.11%
2. Shopping	\$104.70	27.86%	\$70.86	29.76%
3. Food / meals	\$57.71	15.36%	\$31.40	13.19%
4. Transportation	\$50.51	13.44%	\$28.53	11.98%
5. Attractions/amusements	<u>\$49.01</u>	<u>13.04%</u>	<u>\$26.07</u>	<u>10.95%</u>
Average Daily Expense	\$375.73	100.00%	\$238.08	100.00%



Prove Your Results

2001 and 2002 State and County Lodging Tax Collections

<u>County</u>	<u>Tax Rate</u>	<u>2001</u>	<u>2002</u>	<u>Change</u>
<u>State of Nebraska</u>	1%	\$2,598,700	\$ 2,640,765	1.6%
Douglas (Omaha)	4%	\$3,434,790	\$ 3,489,887	1.6%
Lancaster (Lincoln)	2%	\$ 814,337	\$ 862,417	5.9%
Buffalo (Kearney)	2%	\$ 307,270	\$ 308,482	0.4%
Lincoln (North Platte)	2%	\$ 254,727	\$ 254,592	-0.1%
Hall (Grand Island)	2%	\$ 210,082	\$ 226,688	7.9%
Sarpy (W. Omaha)	2%	\$ 151,097	\$ 139,475	-7.7%
Keith (I-80 Ocalalla)	2%	\$ 115,014	\$ 114,957	0.0%

NOTE: A 3% administrative fee is charged prior to distribution to the counties



Research Findings

Average daily expenses & taxes generated:

	Amount	5% Lodging	7% Sales
Lodging	\$99.73	\$4.99	\$6.98
Shopping	\$73.41		\$5.14
Attractions/Place	\$63.18		\$4.42
Food/Meals	\$41.81		\$2.93
Transportation	\$29.10		\$2.04
Totals	\$307.23	\$4.99	\$21.51



Current Status

Bartlesville Room Tax Recent History

<u>Year</u>	<u>Collections</u>	<u>Change</u>
– 96/97	\$227,513	
– 97/98	\$226,205	- 0.57%
– 98/99	\$207,927	- 8.08%
– 99/00	\$198,440	- 4.56%
– 00/01	\$213,412	7.54%
– 01/02	\$237,476	4.82%
– 02/03	\$277,094	17.70%



Mail Survey Findings Bartlesville, OK

2003 (2001)

70.50% (72.30%) *remember requesting info – n/c*

37.00% (45.79%) *had visited before - GOOD*

39.00% (26.17%) *visited after info received – EXCELLENT!*

Conversion

is converting inquiries to actual visits

39% OF THOSE WHO INQUIRED CONVERTED TO A VISITOR

Big improvement over 2001!!

Summary

- Changes since 2000
- Strategic market segmentation approach works best now
- You need research and a strategic vision
- Measure & monitor economic impact
- Know which market segments offer you the greatest potential
- Prove your case to your constituents



Thank You

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